

Vacation Budget 2013: Austrians Save Almost 20%

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Austrians spend €3.4 billion on summer vacation (2012: 4.1 billion)

Most popular destination remains Austria, new EU member Croatia in third place

Advice for making payments while on vacation: bring cash, cards and your PIN

Vacation Budget Savings

Summer 2013: more than half of Austria's inhabitants plan a vacation trip this year with a minimum of three overnight stays either at home or abroad. Although the number of those who will pack for vacation has remained constant over the past three years, the vacation budget is declining. In 2013, €200 less will be spent on average than last year (-18%), this year every Austrian budgets about €900 for travel expenses. "Overall, Austrians are spending €3.4 billion on their vacation this year. Still, that is €700 million less than last year", says Manfred Bartalszky, head of product management at Erste Bank. The unrivaled number one destination for Austrians remains their homeland (28%). The second most popular destination for Austrians is Italy (17%), followed by EU newcomer Croatia (14%). "The accession to the European Union is going to boost tourism in Croatia", says Bartalszky, "but for the time being, everything remains the same for tourists, from the exchange of money into Croatian currency through to border controls."

Vacation Wallet: Cash and Cards

How do Austrians pay while on vacation? 77% pay in cash and every second one makes use of ATM cards or credit cards. Travelers checks are barely used anymore. "The best mix is a little bit of cash for snacks or taxi fares, and cards in order to pay larger amounts without complications", Bartalszky explains. Austrians regard cash in the form of euro as the most suitable means of payment on vacation (34%), followed by cash in the respective local currency (25%). 'Plastic' ranges behind these options: 22% think a credit card is most suitable while on vacation, and 13% opt for the ATM card. Generally it is important to acquaint oneself with the methods of payment in the vacation destination, what costs may arise, and how much money should be carried in the form of cash.

Vacation Tips by Erste Bank Experts

If it should be necessary to change money, this should best be done at home at one's house bank, as currency exchange offices will most of the time provide an inferior exchange rate and charge high fees.

One must be careful when paying with ATM or credit cards in countries outside of the euro area: "One must absolutely take care that one pays in local currency", Bartalszky advises. "If one pays in euro, one will definitely receive an inferior exchange rate."

If a cash withdrawal becomes necessary in a vacation destination outside of the euro area, fees will be the lowest when withdrawing from an ATM with a classical ATM card (Maestro card). Attention: in some cases the operators of ATMs will charge additional withdrawal fees, however, this must be disclosed prior to a withdrawal. In the event of cash withdrawals, operators will often emphasize offers to settle right away in local currency. It is better not to chose this alternative, as exchange fees of up to 6% have to be expected.

Consider limits: if a vacation to a country with a high crime rate is on the agenda, card limits should be reviewed and adjusted if necessary.

Experts of Erste Bank recommend to take ATM and credit cards along, in order to be able to cover all payment

alternatives. For instance, at many ATMs only one type of card can be used (Maestro card or credit card). A credit card moreover scores points by dint of including travel insurance. Expert tip: In many countries entering the code is preferred over one's signature. "One should definitely take one's credit card code along on vacation in order to have all payment alternatives available", says Bartalszky.

All those who lack a good memory for numbers can change the MasterCard or Visa Code issued by Erste Bank und Sparkassen at the bank's own self-service devices into a different PIN as desired.

Online backup of the most important documents: In netbanking at Erste Bank und Sparkassen, 1 GB of storage space is available for documents. In emergencies, flight ticket, passport or other documents are thus available quickly and without fuss.

About the survey:

Erste Bank has commissioned the market research institution INTEGRAL to conduct a telephonic survey on means of payment on vacation. Between 14 May to 22 May 2013, 500 persons were surveyed via telephone with regard to their planned summer vacation – destination, planned budget, means of payment to be used and regarded as most suitable. The results are representative for the Austrian population above the age of 14 (approx. 7.200.000 people).

Appendix

Calculation Example of Fees

Example: Someone wants to go on vacation in Turkey and wants to have 600 Turkish Lira (TRY) in cash.

Possibilities for exchange (exchange rate as of 15 June 2012)

Changing money at Erste Bank in Austria

600 Turkish Lira at the day's current exchange rate on 15 June 2012 cost €287.04 at Erste Bank. This includes fees of 3% (€8.36). If one buys the same amount using a client account, one only pays fees of 1.5% (€4.18); the total is €282.86

Withdrawal of cash at an ATM in the vacation destination with an ATM card (= Maestro card)

The calculation is done at the day's current exchange rate of 15 June 2012 for Bank cards issued by Erste Bank.

in euro outside of the EU: €1.82 + 0.75%

in a different currency: €1.82 + 0.75%

Maestro Card: €266.36 plus fees of €3.82 = total charge of €270.18

Withdrawal of cash at an ATM in the vacation destination with an s-credit card (Visa/Master Card)

cash withdrawal in euro within the EU: 3% of the amount, €3.63 minimum

cash withdrawal in different currency or in euro outside of the EU: 3% of the amount, €3.63 minimum, + 1.5%

s-credit card: €264.10 + €12 in fees = total amount of €276.10

Paying directly with credit card in the vacation destination, e.g. at restaurants or shops

ATM card payment respectively credit card payment within the EU in euro: 0

ATM card payment in a different currency or in euro outside of the EU: €1.09 + 0.75% of the amount

Maestro card: €266.36 + fees of €3.09 = total amount of €269.45

s-credit card payment in a different currency or in euro outside of the EU: 1.5% of the amount

s-credit card: €264.10 + fees of €3.96 = total amount of €268.06

Travelers checks

Travelers checks purchase by customer

foreign exchange offer price

1.00% commission, €9.50 minimum

Travelers checks sale by customer

foreign exchange ask price

0.625% commission, €9.50 minimum

Compared to bank branches, foreign exchange offices at the airport offer the following terms:

foreign exchange purchase/sale: 6% commission, €7.50 minimum

accounting entry in one's own Erste Bank account: 1.5% commission, €3.50 minimum

travelers checks purchase: 3.5% commission, €10.00 minimum, per check there is a charge of €2.00

